CHEERS

California Energy Commission
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April 10, 2015

Commissioner Andrew McAllister
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Re: Order Instituting Information (OII) Proceeding
(Docket No. 12-HERS-1 / Order No. 12-1114-6)

CHEERS submits the following comments to the California Energy Commission (CEC) for inclusion into the Informational Proceeding to Improve the HERS Program, Docket #12-HERS-1. This submission by CHEERS is a response to the additional questions raised in the HERS OII webinar held by the CEC on March 10, 2015. CHEERS has not changed its position on the topics broached in our initial response to this OII, dated March 5, 2013.

Agenda Topic: Provider QA Programs

CEC communication to rating community needs to improve.
CEC communication directly to the rating community can be a positive step in helping to bring these two entities closer together. However, given the Providers role to oversee the HERS rating program, the CEC should clarify the type, purpose, and desired benefit of this planned communication. Taking this step before implementing a change will help avoid confusion or the dissemination of redundant communication from Providers to the rating community.

Should home owners be notified of QA failure?
QA results can be accessed by a homeowner that wants to obtain it. Failures in QA requires the builder to address the deficiency. Alerting the homeowner to a QA failure before the builder addresses the issue could place the builder in an unnescessary, negative position with the homeowner. Notifying the homeowner after the QA failure has been addresses is also unnessary since the deficiency has been corrected. CHEERS would not necessarily endorse any dramatic changes to the current process.

QA potential as an educational tool benefits rater and homeowner
This question is similar to the following question posed in the 2013 OII proceeding: *"How should QA be used in the development and training of Raters?"* CHEERS' position on this topic has not changed. All aspects of the QA requirements should be included in the training given as part of a rater's certification. However, the Provider's QA function should not be used as a training tool for the Rater. The primary purpose of the Provider's QA program is to evaluate a Rater's work and should not be confused with a Rater Training program. The Provider QA function is also not a cost effective way to deliver training and it should be leveraged to identify the areas in which a rater requires additional training and the urgency of that training need.

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Agenda Topic: HERS Rater Disciplinary Process

Disciplinary process should be more clearly defined by Energy Commission. CHEERS supports more guidance from the CEC in this area, but would encourage the CEC to take a broader approach to attempting to define and possibly standardize the disciplinary process for raters. Any attempts by the CEC to provide more granularity on this topic should include, but not be limited to the following topics:

- Improved definitions for HERS Provider QA failure types and their related severity
- Minimum procedural steps Providers must take to verify QA infractions (possibly by infraction type)
- Provide guidelines for how Rating company management should be engaged and afforded the opportunity to participate in the QA review process on more serious infractions before a final decision is determined by the Provider
- Types of disciplinary actions that can be taken by the Providers and the corresponding QA infractions that would typically necessitate them.

Should the Energy Commission seek to develop Rater disciplinary processes for Providers to adhere to?
Yes, as long as the process is standardized and provides clarification on topics like those previously mentioned.

What steps or processes occur by providers for decertification?
CHEERS has a detailed process for addressing QA infractions that can potentially result in the decertification of a Rater. The following is summary of the steps we take on QA failures of this nature:

- Data Collection / Fact Finding – CHEERS conducts internal reviews and contacts outside parties to gather additional information relating to the QA violation.
- Rater Notification – CHEERS provides written notification to the Rater and Rating Company that includes sufficient information for the Rater/Rating Company to respond.
- Rater Investigative Period – The Rater and Rating Company are provided with 5 business days to investigate the issue and provide CHEERS with any additional information to consider in our review.
- Rater Meeting – If necessary, an in-person or WebEx meeting is held between CHEERS and the Rater/Rating Company to review the information provided by all parties.

- Resolution Paths[1] - Based on the results of CHEERS' investigation, one or more of the following resolution paths can occur:
  - Matter resolved – No further action required.
  - Further investigation required by CHEERS.
  - Rater is required to obtain additional training and/or recertification.
  - Rater placed on probationary status (up to 12 months) and subject to additional QA monitoring at the discretion of CHEERS QA personnel.
  - Rater is temporarily suspended and precluded from conducting ratings and entering rating results in the CHEERS database.
  - Increase the QAI percentage on future rater work on both tested and sampled homes to 2% or greater. Percentage and duration are set at the discretion of CHEERS QA personnel.
  - Permanent Rater Decertification.
- Notification - The CEC is notified by CHEERS of all reported or discovered violations, the actions taken by CHEERS to address the violation, and their subsequent resolution.

Agenda Topic: HERS Rater Companies

Need for better rater company oversight
HERS Providers should provide Rating Company oversight and this should not be a function directly performed by the CEC. If the CEC feels greater rating company oversight is needed then it should update the Title 20 regulations to specificly state how the HERS Providers should accomplish this goal.

Agenda Topic: Conflict of Interest

Need for uniformity of conflict of interest practice amongst providers.
The CEC should work to develop regulations that eliminate all ambiguity surrounding the business practices and relationships of and between builders, compliance analysts, installers, HERS raters, and Providers. As noted in recent communications with the CEC the HERS industry clearly feels there is some grey area on this topic so it should be clarified by the CEC.

May Raters provide other services? Example Permit Pulling.
The conflict of interest and independent entity sections of the code require that a HERS rater not have financial interest in, advocate or recommend any product or service. The code also states that the raters shall be independent entities from the subcontractor

[1] QA resolution of more serious infractions is difficult to standardize or have only 1 disciplinary action taken due to the varying nature of the reasons behind the infraction. The approach taken by CHEERS is to apply the above guidelines and then determine the most appropriate course of action based on the specific circumstances of each case.

installer of energy efficiency improvements. A HERS rater who pulls permits is in violation of these code sections. CHEERS acknowledges that the vast majority of HVAC change-outs are not permitted. If this services improves the permitting of HVAC change-outs CHEERS would strongly support a discussion about changes to these code sections.

May Raters sell products separately that potentially could have been used in projects they perform FV/DT on?
Same answer as above. Per code today it is not allowed. If it is useful to support the energy efficiency goals of the State CHEERS would support a discussion about sales of products to improve energy efficiency.

Agenda Topic: Energy Commission Oversight of Providers

Should Energy Commission develop uniform language for Provider training material, processes, etc.?
The CEC should establish minimum curriculum, training, and certification requirements for HERS certification, but the Providers should be free to develop and enhance their content to be more marketable. The CEC currently tries to exert control over curriculum content (e.g. - editorial, aesthetic, creative positioning, etc.) and training delivery mechanisms that clearly fall outside of their Title 20 mandate to do so.

What types of penalties or reprimands might Providers receive for failure to comply with stated regulations?
Similar to rater QA infractions, Provider infractions can also range from minor to more serious in nature. Thus, the process developed by the CEC to identify, review, and ultimately resolve, Provider infractions should closely mirror the process the Providers administer to the Rating community. The idea is to create a comprehensive model that can be followed by everyone (e.g. – CEC oversight of Provider, Provider oversight of rating company, etc.).

Other? What other measures should be considered to improve consistency and uniformity between Providers?
All of the following measures should be considered to standardize and streamline efforts between Providers:

- Minimum requirements for rater training curriculum and certification
- QA
- Continuing Education requirements
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- Requirements for certifying raters such as background checks, types of criminal offenses allowed, etc.

Should the Energy Commission lower QA? To what level?

This question is similar to the following question posed in the 2013 OII proceeding: *"What changes should be made to the current QA requirements?"* CHEERS' position on this topic has not changed.

Should Providers be required to provide QA within a certain timeframe i.e. 30, 45, or 60 days?
CHEERS feels QA should be conducted as close as possible to the date of the original rating. Overall, QA is conducted within reasonable timeframes. However,given the variable nature of construction schedules and inherent challenges with QA being conducted in occupied homes, the timeframe should not be restricted to a 30 or even 60 day window. Applying this kind of strict turnaround timeline requirement will make it even more difficult for Providers to meet QA volume quotas and will not result in any overall benefit to the industry.

Should Rater certification numbers/information be publicly available, i.e., a business license or similar?
CHEERS currently makes the CHEERS rater license number available on its website. Other business licenses (e.g. – contractor's license) are already publically available.

In conclusion, CHEERS remains very interested in the advancement of the HERS rating industry and the overall integrity of the HERS program. CHEERS looks forward to continuing to work with the CEC staff and other interested parties on each of the agenda topics listed above.

Sincerely,

Jason Lenzmeier
Executive Director, CHEERS

cc: Mike Hodgson, David Meyers